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products, services and ideas.

Senate Special Committee on Aging June 30, 2005 Hearing Testimony

Contact:
Bill Herman
W5527 State Road 106
P.O. Box 800
Fort Atkinson, WI 53538
(920) 563-9571
bherman@highsmith.com

Highsmith Inc. is a distributor of supplies, furniture and equipment to public, academic and special libraries, as well as schools and school libraries throughout the U.S. and abroad. Headquartered in Fort Atkinson, WI, Highsmith employs 220 people and markets over 25,000 products through more than a dozen specialty catalogs and a direct sales force located strategically throughout the country.

The company has a reputation as an innovator in organization design, employee development, health risk management & wellness programming. Highsmith received one of the 2004 Secretary's Innovation in Prevention Awards from the Department of Health & Human Services and is a two-time recipient of the Wellness Council of America's Gold Well Workplace Award and the inaugural recipient of the Platinum Well Workplace Award. In 2003, Highsmith was recognized by the State of Wisconsin with a Corporate Culture Award for our focus on employee retention, motivation and our unique learning and development model. And most recently, we were recognized with the Wisconsin Psychologically Healthy Workplace Award. Highsmith has also been featured in *The New York Times*, *Business & Health magazine*, MSN.com and on NBC, The Nightly News with Tom Brokaw.

We have been active in health promotion and wellness initiatives since 1990. At that time, there was very little research that indicated there would be a return on investment for wellness dollar expenditures. We intuitively believed if we promoted healthy lifestyles, we could have an impact on healthcare cost and productivity. We knew this couldn't happen overnight. We needed to slowly raise the awareness of our employees on health, and shift our corporate culture to be more in alignment with supporting healthy lifestyle behaviors. We began to target dollars for services to nudge and encourage employees to make healthy lifestyle decisions.

Fifteen years later, Highsmith's commitment to health and wellness is stronger than ever as evidenced by our successes with employee development, and has allowed us to achieve an average of only a 5.4% increase in our healthcare premiums over the last four years.

We've learned the value of a well thought out strategic approach to implementing and sustaining health and wellness concepts in our organization. Concepts that continue to influence and affect the lives of employees after they retire. Our culture is supportive of healthy lifestyle choices and encourages good nutrition and lifestyle activity. At Highsmith, wellness is not viewed as just a program, but rather as a strategic initiative to nurture the human capital necessary to meet corporate goals and objectives.

Highsmith Inc.
W5527 State Road 106
P.O. Box 800
Fort Atkinson, WI 53538-0800

920 563 9571 TEL
920 563 7395 FAX

www.highsmith.com



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Over time, we found that traditional definitions of wellness and health promotion often fell short of encouraging personal responsibility for health and well-being. Highsmith undertook a fundamental transformation in our view of wellness. We think the terms wellness and employee development are interchangeable. Engaging employees in their jobs, emphasizing learning and development, providing tools to balance work/life responsibilities along with health and wellness must all be integrated.

We are integrating these areas through an initiative called T.A.G.

- **Total** commitment to developing human potential.
- **Access** to learning opportunities.
- **Growth** as an individual and as a company.

T.A.G. extends beyond the traditional aspects of job/career development. We view job/career development as just one aspect of learning and development. Personal and physical well-being, self-care, and work/life enrichment all contribute to an individual's overall well-being. Our vision is to create an environment of positive choices where employees can make actionable decisions about their development in support of company goals and objectives.

Within T.A.G., we offer a comprehensive menu of health promotion, disease prevention activities and programs, mental health education and resources, and traditional job/career development opportunities – some of which are listed below.

- Monetary Incentive Approach for Health Insurance (See Exhibit 1)
- Annual Health Screening with one-on-one feedback for Employee/Spouse (See Exhibit 2)
- Individual Health and Disease Management Consultations with On-site Health Educator
- Intranet with Comprehensive E-Health Resources, Company Information, and Career Development Information
- New employee orientation includes meetings with a learning and development professional and a health educator to learn about the T.A.G. initiative.
- Wellness Resource Collection in Corporate Library
- Employee Assistance Program
- Work/Life Services
- Financial Services
- Legal Services
- Flexible Spending for Health Care and Dependent Care
- Educational Assistance
- On-site Chair Massage
- Blood Pressure Screenings
- On-site Exercise Classes
- Annual Course Catalog offering over 50 educational opportunities for employees and families in all five T.A.G. components
- Ergonomics and Workstation Audits
- Stretching Programs in Warehouse and Office
- Mental and Emotional Health Programming and Screenings
- Menopause Programming
- Asthma and Allergy Education
- Domestic Abuse Outreach and Education
- Diabetes Awareness and Education
- Alternative Medicine Programming

- Additional Awareness Campaigns and Educational Opportunities Focusing on Self-Care, Women's Health, Men's Health, Depression, Domestic Abuse, Cancer (Breast, Prostate, Skin and Cervical), Safety and Ergonomics
- Pre- and Postnatal Education and Consultations
- Employee Lifestyle Challenges/Incentive Programs
- Weight Management Programs
- Weight Management Support Groups
- Healthy Cooking Classes
- Tobacco Cessation Programs
- Self Care Programming
- On-site First Aid/CPR Training
- On-site Walking Trail and Walking Programs
- Stress Reduction and Time Management Programs
- Healthy Snack Days
- Citrus Program
- On-site Flu and Pneumonia Vaccine Clinic
- On-site Tetanus Shots
- Healthy Vending Options

The Highsmith approach is non-traditional and on the forefront of taking wellness and health promotion to a new level. Highsmith has achieved a high level of employee participation in the T.A.G. initiative. All employees (100%) are involved in some aspect of T.A.G.:

- 83% participate in Highsmith's monetary incentive approach to health insurance
- 50-85% of employees are active participants in challenges/ongoing wellness programming
- 81% of employees enroll in classes offered through the T.A.G. course catalog
- 72% of employees participate in the onsite comprehensive health screening and complete annual Health Risk Assessments
- 2004 utilization of our Employee Assistance Program was 22.8%

Highsmith has been investing in the health, wellness and development of our workforce for over a decade. That investment has been paying off in many different ways.

Reduction in Health Risk Factors 2000-2004:

- 53% decrease in number of health screening participants whose total cholesterol was "high risk" (High risk=240 and over)
- 52% decrease in number of health screening participants whose blood pressure was "high" (High=140/90 or above)
- 72% decrease in number of health screening participants whose VO₂ submax was "high risk" (High risk=age/gender specific)
- Average of 84% of total participants had a "normal" blood glucose level (Normal=Under 100)

Other examples:

- At a time when health insurance premiums are increasing at double-digit rates, our premiums have held steady. Over the last four years (2002-2005), Highsmith's healthcare premiums have risen an average of only 5.4%.



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- Employee retention is critical if we are to receive a return on our investment. Highsmith's average employee tenure is 14 years - significant when you consider the high cost of hiring and training a new employee and we experience only single-digit turnover rates.
- Worker's compensation discounts and dividends averaged 31% less than the base rate over the last 10 years.
- A team-based organizational approach has provided the structure to "stretch" the boundaries of jobs. Coupled with extensive training, we have developed versatility and flexibility in the workforce. As a result, we are doing more with less. Employees are engaged and challenged in roles that have more variety than ever before.
- The services provided through T.A.G. (one-on-one consultations, health screenings, classes, programming, etc.) have made a significant impact on the health and well-being of our workforce. The eligibility requirements for the health insurance incentive have led to the prevention and early detection of cancers, heart disease, diabetes and other medical conditions. Anecdotal stories have a strong role in viewing the successful outcomes we have experienced.

A Highsmith employee was quoted on NBC, Nightly News with Tom Brokaw stating, "Highsmith saved my life."

Another employee stated in a regional paper, "Since I started working here, I've lost almost 125 pounds. I've changed my eating habits and am exercising more. I plan on staying here as long as they will have me. This company cares about what we think and shows us that our opinions matter to them. It certainly makes you want to do your best on the job in representing this company. They care."